



February 3, 2012

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

In the Matter of Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Universal Service Reform – Mobility Fund, WT Docket No. 10-208; Universal Contribution Methodology, WC Docket No. 06-122

Dear Ms. Dortch:

On Thursday, February 2, 2012, the undersigned, on behalf of the National Telecommunications Cooperative Association (“NTCA”), met with Michael Steffen, Legal Advisor to Chairman Julius Genachowski, to discuss further reform of the federal high-cost universal service fund (“USF”) and intercarrier compensation (“ICC”) mechanisms, the persistent failures of calls destined for rural areas, and the need for the Federal Communications Commission (the “Commission”) to take prompt and effective action with respect to USF contributions reform.

With respect to further high-cost USF and ICC reform, NTCA recommended that the Commission provide a reasonable time for carriers, lenders, investors, and consumers to adjust to the changes made in the Commission’s recent Order in several of the above-referenced proceedings. Rather than racing to consider and then implement substantial changes such as many identified in the Further Notice of Proposed Rulemaking, NTCA urged the Commission to revisit whether any additional reforms are required only after a reasonable period of time had elapsed and a meaningful evaluation could be made of market developments, shifts in company risk profiles, and consumer impacts resulting from the many reforms already adopted in the Order. NTCA also urged the Commission to ensure the advancement and sustainability of broadband-capable networks throughout rural America. NTCA suggested the Commission could help do so by providing a sufficient and predictable Connect America Fund for areas served by small rural local exchange carriers, and highlighted several specific proposals to this effect

contained within its recent comments. *See* Comments of NTCA, *et al.*, WC Docket No. 10-90, *et al.* (filed Jan. 18, 2012), at 22-28.

NTCA also encouraged the Commission to maintain its leadership role in examining the serious completion and/or service quality problems affecting calls that are destined for rural areas. NTCA urged the Commission to ensure sustained regulatory vigilance and clear oversight with respect to those who may, as a result of neglect or intentional act or omission, help enable such call completion or service quality problems. NTCA expressed its unrelenting commitment to working with the Commission as part of the ongoing process to identify and resolve these problems.

Finally, NTCA urged the Commission to take prompt action to shore up the failing USF contributions mechanism by broadening the contribution base to include retail broadband Internet access revenues and non-interconnected VoIP revenues, as well as confirming that texting revenues are subject to USF contribution requirements. NTCA's advocacy in this regard was consistent with several recent *ex parte* presentations. *See, e.g., Ex Parte* Letter from NTCA to Marlene Dortch, Secretary, FCC, WC Docket No. 10-90; GN Docket No. 09-51; WC Docket No. 07-135; WC Docket No. 05-337; WC Docket No. 06-122; CC Docket No. 96-45 (filed January 9, 2012).

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (703) 351-2016 or mromano@ntca.org.

Sincerely,

/s/ Michael R. Romano
Michael R. Romano
Senior Vice President - Policy

cc: Michael Steffen